BUSINESS INFORMATION CHECK

STATISTICAL REPORT 1972

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- HEADQUARTERS
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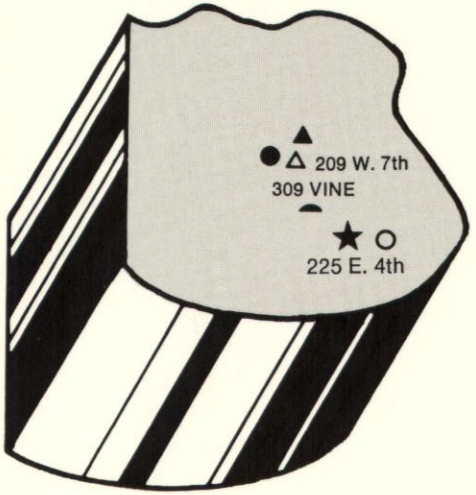
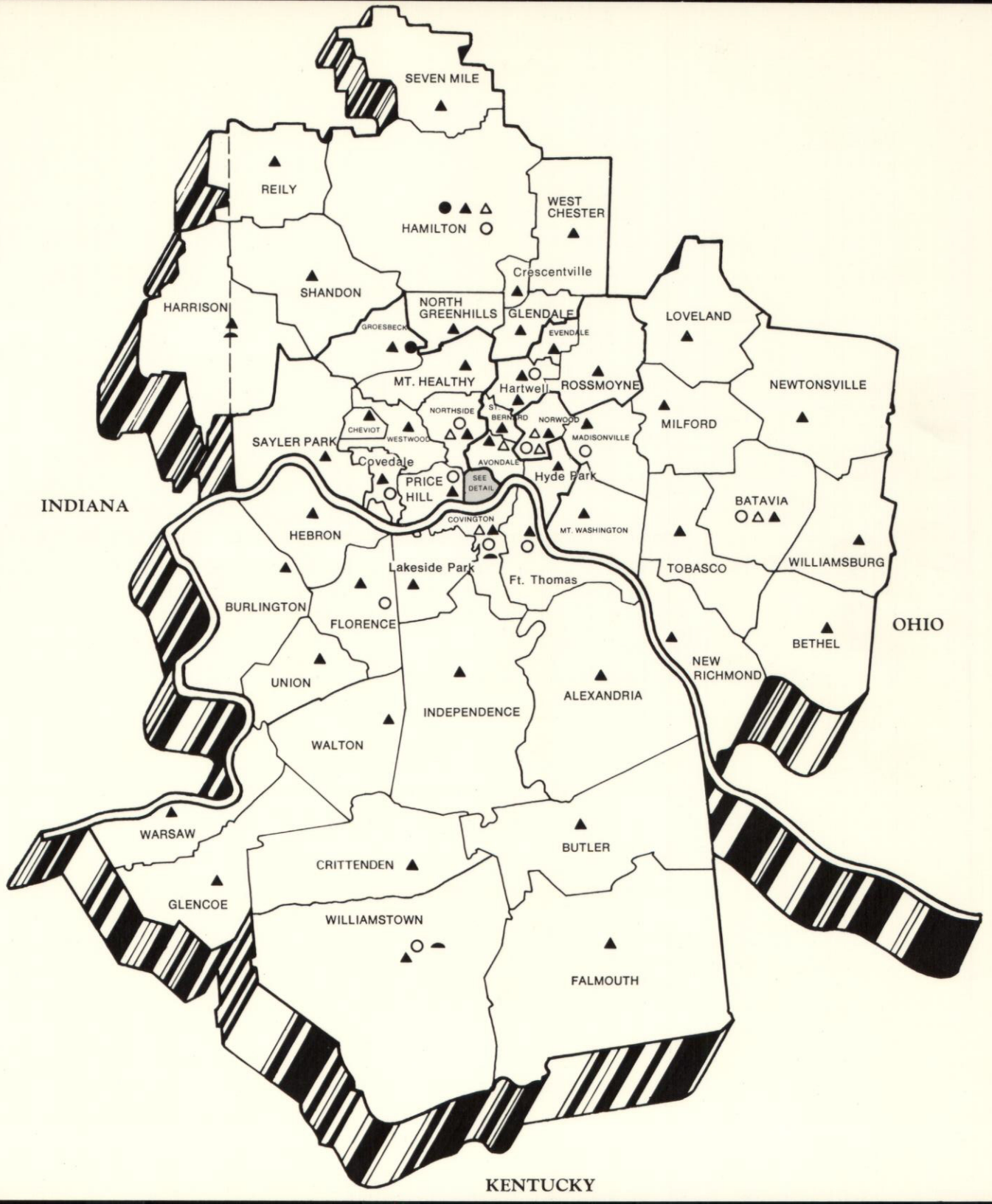
- GARAGE LOCATIONS
- SERVICE CENTER LOCATIONS

(ENLARGED SECTION)





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STATISTICAL REPORT
1972

The Annual Report of Cincinnati Bell Inc. provides a broad and general review of our progress and accomplishments. The purpose of this statistical report is to provide more detailed information about our operating results to those who may find such data useful.

The Company furnishes communications services, mainly local and toll telephone service, in four counties in southwestern Ohio, six counties in northern Kentucky and parts of two counties in southeastern Indiana. Other communications services offered by the Company include data transmission, transmission of radio and television programs and private line teletypewriter service. The telephones of the Company can be interconnected with the telephones of the other telephone companies in the United States and with telephone systems in most other countries.

The Company is not controlled directly or indirectly by any person or corporation. It is an associated company of the Bell System. It is owned by about twenty thousand share owners — the largest is American Telephone and Telegraph Company which owns 25.7 per cent of the outstanding common stock.

CINCINNATI BELL INC.

TEN YEAR REVIEW

	Thousands of Dollars Except As Indicated			
	1972	1971	1970	1969
INCOME AND EARNINGS, years ended December 31				
Operating Revenues	$135,855	$126,712	$113,880	$101,344
Operating Expenses	88,926	81,516	73,666	64,938
Operating Taxes	23,776	23,506	20,738	19,570
Operating Income	23,153	21,690	19,476	16,836
Other Income (Deductions) — Net	601	857	710	(27)
Income Before Interest Deductions	23,754	22,547	20,186	16,809
Interest Deductions	9,646	7,958	7,071	5,170
Net Income	$ 14,108	$ 14,589	$ 13,115	$ 11,639
Average Shares Outstanding	6,977,774	6,939,894	6,910,650	6,773,312
Taxes per Share	$3.41	$3.39	$3.00	$2.89
Net Income per Share	$2.02	$2.10	$1.90	$1.72
Dividends Paid per Share	$1.30	$1.25	$1.20	$1.20
Return on Average Common Equity	9.33%	10.02%	9.42%	8.71%
Return on Average Total Capital	7.86%	8.16%	8.11%	7.60%
OWNERSHIP AND CAPITAL, end of year				
Share Owners	19,589	18,496	17,712	16,958
Equity per Common Share	$22.02	$21.36	$20.54	$19.92
Total Capital	$312,621	$287,825	$262,319	$233,869
Debt in Total Capital	50.6%	48.2%	45.6%	41.2%
TELEPHONE PLANT, SERVICE AND EMPLOYEES				
Construction Expenditures	$ 48,703	$ 46,613	$ 45,742	$ 44,117
Total Telephone Plant, end of year	$440,051	$404,227	$369,921	$335,169
Telephones, end of year	934,249	896,418	872,019	845,728
Business	250,565	241,697	237,608	230,142
Residence — Main	437,739	425,679	417,204	408,936
— Extension	245,945	229,042	217,207	206,650
— % One-Party	86.2	84.2	81.7	79.0
Long Distance Messages (thousands)	40,199	35,962	34,239	31,232
Employees, end of year	5,335	5,494	5,641	5,305
Employees per 10,000 Telephones	57.1	61.3	64.7	62.7
Payroll and Related Costs — Total	$ 69,380	$ 62,367	$ 56,548	$ 50,139
— Charged to Expense	$ 54,198	$ 49,709	$ 44,953	$ 38,930

Thousands of Dollars Except As Indicated

1968	1967	1966	1965	1964	1963
$ 95,228	$ 86,224	$ 79,815	$ 72,923	$ 67,814	$ 63,973
58,334	52,615	48,156	44,657	41,919	39,072
20,770	18,180	17,063	15,155	14,166	14,160
16,124	15,429	14,596	13,111	11,729	10,741
(11)	164	(168)	16	(57)	(40)
16,113	15,593	14,428	13,127	11,672	10,701
3,608	2,986	2,452	2,512	2,450	2,241
$ 12,505	$ 12,607	$ 11,976	$ 10,615	$ 9,222	$ 8,460
6,712,822	6,628,760	6,579,082	6,088,668	5,884,624	5,819,328
$3.09	$2.74	$2.59	$2.49	$2.41	$2.43
$1.86	$1.90	$1.82	$1.74	$1.57	$1.45
$1.20	$1.20	$1.20	$1.125	$1.125	$1.125
9.70%	10.27%	10.22%	10.27%	9.71%	9.22%
7.97%	8.31%	8.32%	8.13%	7.70%	7.43%
17,040	16,502	16,523	15,725	14,561	13,885
$19.45	$18.79	$18.10	$17.43	$16.55	$15.95
$209,753	$193,080	$180,223	$165,252	$156,343	$147,751
36.8%	34.4%	33.1%	30.2%	36.7%	35.7%
$ 30,601	$ 25,097	$ 26,218	$ 21,835	$ 19,476	$ 18,950
$300,496	$279,533	$261,703	$242,469	$227,452	$213,777
807,430	773,222	741,699	707,609	675,186	650,958
218,529	207,082	195,571	186,731	178,983	173,182
397,459	387,804	380,271	368,552	357,673	351,213
191,442	178,336	165,857	152,326	138,530	126,563
75.9	72.5	69.3	65.3	61.3	57.6
27,733	24,819	22,655	20,034	18,007	16,865
4,828	4,761	4,212	4,080	4,008	4,013
59.8	61.6	56.8	57.7	59.4	61.6
$ 43,670	$ 38,412	$ 35,579	$ 32,686	$ 30,998	$ 29,207
$ 34,286	$ 30,515	$ 28,356	$ 26,113	$ 24,529	$ 23,365

CINCINNATI BELL INC.

BALANCE SHEETS

ASSETS

	Thousands of Dollars Except As Indicated				
	1972	1971	1970	1969	1968
TELEPHONE PLANT AND OTHER INVESTMENTS — At Cost					
Telephone Plant					
Land, buildings and equipment					
In service	$426,877	$386,203	$352,403	$318,893	$292,095
Under construction	12,159	16,871	16,778	14,844	7,054
Held for future use	1,015	1,153	740	1,432	1,347
Total Telephone Plant	440,051	404,227	369,921	335,169	300,496
Average telephone plant (excluding under construction)	408,702	371,130	335,094	304,531	280,768
Per average Company telephone	$447.52	$419.38	$389.39	$368.53	$355.74
Less: Accumulated depreciation	105,487	99,055	92,721	87,412	80,345
Percent of total depreciable plant	24.0%	24.5%	25.1%	26.1%	26.7%
Net Telephone Plant	334,564	305,172	277,200	247,757	220,151
Other investments	224	559	259	282	256
Total Telephone Plant and Other Investments	334,788	305,731	227,459	248,039	220,407
CURRENT ASSETS					
Cash	1,024	973	775	1,257	1,952
Receivables — less allowance for uncollectibles	17,788	15,935	14,772	14,093	11,793
Material and supplies	2,362	2,658	2,277	2,103	923
Prepaid expenses	308	304	295	179	168
Total Current Assets	21,482	19,870	18,119	17,632	14,836
DEFERRED CHARGES	1,924	1,903	881	744	784
TOTAL ASSETS	$358,194	$327,504	$296,459	$266,415	$236,027

LIABILITIES AND CAPITAL

	Thousands of Dollars Except As Indicated				
	1972	1971	1970	1969	1968
EQUITY					
Common shares — par value $12.50 per share	$ 87,664	$ 86,762	$ 86,738	$ 85,161	$ 84,591
Premium on shares	7,305	7,071	7,064	6,641	6,482
Share installments by employees	—	882	317	1,873	952
Reinvested earnings	59,465	54,444	48,719	43,921	40,581
Total Equity	154,434	149,159	142,838	137,596	132,606
To Total Capital	49.4%	51.8%	54.4%	58.8%	63.2%
Average, excluding share installments by employees	151,258	145,552	139,272	133,667	128,875
Average book value per share	$21.68	$20.97	$20.15	$19.73	$19.20
DEBT					
Long-term	132,587	132,566	82,665	82,757	47,847
Interim	25,600	6,100	36,816	13,516	29,300
Total Debt	158,187	138,666	119,481	96,273	77,147
To Total Capital	50.6%	48.2%	45.6%	41.2%	36.8%
Average	149,381	129,602	108,800	85,571	72,001
Total Capital	312,621	287,825	262,319	233,869	209,753
Average Capital	301,095	275,760	248,675	220,933	202,081
CURRENT LIABILITIES					
Accounts payable	10,552	11,104	10,456	11,502	7,377
Advance billing and customers' deposits	3,774	3,421	3,194	2,590	2,295
Dividend payable	2,279	2,256	2,082	2,034	2,030
Taxes accrued	10,732	9,333	8,578	7,555	7,823
Interest accrued	3,008	2,951	1,576	1,566	657
Total Current Liabilities	30,345	29,065	25,886	25,247	20,182
DEFERRED CREDITS					
Unamortized investment credit	5,343	3,885	3,648	3,465	2,968
Deferred income taxes	9,846	6,681	4,465	3,567	2,955
Other	39	48	141	267	169
Total Deferred Credits	15,228	10,614	8,254	7,299	6,092
TOTAL LIABILITIES AND CAPITAL	$358,194	$327,504	$296,459	$266,415	$236,027

CINCINNATI BELL INC.

STATEMENTS OF INCOME AND REINVESTED EARNINGS

	Thousands of Dollars Except As Indicated				
	1972	1971	1970	1969	1968
OPERATING REVENUES					
Local service	$ 87,965	$ 83,862	$ 74,926	$ 65,569	$ 61,821
Toll service	44,608	39,894	35,956	32,309	29,902
Miscellaneous, principally from directory advertising	3,927	3,761	3,717	3,911	3,911
Less: Provision for uncollectibles	645	805	719	445	406
Total Operating Revenues	135,855	126,712	113,880	101,344	95,228
Per average telephone per month	$12.40	$11.93	$11.03	$10.22	$10.05
Payroll and related costs, charged to expense, to total operating revenues	39.9%	39.2%	39.5%	38.4%	36.0%
OPERATING EXPENSES					
Maintenance	27,496	25,095	22,134	19,479	16,979
Depreciation	20,695	19,165	17,694	15,745	14,560
To average depreciable plant	5.23%	5.34%	5.45%	5.34%	5.36%
Traffic	10,275	10,174	9,605	8,385	7,946
Commercial	4,653	4,184	3,680	3,191	2,945
Marketing	4,687	4,325	4,014	3,894	3,552
Accounting	5,657	5,235	4,708	4,283	4,025
Provision for pensions and other employee benefits	10,795	8,764	7,656	6,020	4,692
Services received under license contract	1,295	1,224	1,068	964	902
Other operating expenses	6,357	6,078	5,591	5,234	4,402
Less: Expenses charged construction	2,984	2,728	2,484	2,257	1,669
Total Operating Expenses	88,926	81,516	73,666	64,938	58,334
Per average telephone per month	$8.12	$7.68	$7.13	$6.55	$6.16
To operating revenues	65.5%	64.3%	64.7%	64.1%	61.3%
Net Operating Revenues	46,929	45,196	40,214	36,406	36,894
OPERATING TAXES					
Federal income	10,011	10,805	9,523	9,903	12,515
Property	8,370	7,753	6,971	6,134	5,372
Ohio excise and poor relief	3,096	2,961	2,484	2,008	1,574
Social security	1,961	1,709	1,534	1,302	1,106
Miscellaneous	338	278	226	223	203
Total Operating Taxes	23,776	23,506	20,738	19,570	20,770
Per average telephone per month	$2.17	$2.21	$2.01	$1.97	$2.10
OPERATING INCOME (carried forward)	$ 23,153	$ 21,690	$ 19,476	$ 16,836	$ 16,124
Per average telephone per month	$2.11	$2.04	$1.89	$1.70	$1.79

	Thousands of Dollars Except As Indicated				
	1972	1971	1970	1969	1968
OPERATING INCOME (brought forward)	$ 23,153	$ 21,690	$ 19,476	$ 16,836	$ 16,124
Interest Charged Construction	1,068	1,179	1,135	722	517
Less: Miscellaneous Deductions — Net	467	322	425	749	528
INCOME BEFORE INTEREST DEDUCTIONS	23,754	22,547	20,186	16,809	16,113
Income available for interest and dividends	23,679	22,504	20,164	16,791	16,103
Return on average total capital	7.86%	8.16%	8.11%	7.60%	7.97%
INTEREST DEDUCTIONS					
Interest on Long-Term Debt	8,691	6,282	4,982	2,739	2,057
Interest on Interim Debt	852	1,615	2,038	2,342	1,490
Other Interest Deductions	103	61	51	89	61
Total Interest Deductions	9,646	7,958	7,071	5,170	3,608
Interest rate on debt:					
Average rate for the year	6.38%	6.09%	6.46%	5.94%	4.93%
Average rate at end of year	6.40%	6.48%	6.16%	6.37%	5.23%
Ratio of earnings before taxes to fixed charges — as defined by S.E.C.	3.33	3.95	3.98	4.81	7.18
NET INCOME	14,108	14,589	13,115	11,639	12,505
Add: Reinvested earnings at beginning of year	54,444	48,719	43,921	40,581	36,145
Deduct: Dividends declared	9,071	8,848	8,293	8,128	8,055
Miscellaneous — net	16	16	24	171	14
REINVESTED EARNINGS AT END OF YEAR	$ 59,465	$ 54,444	$ 48,719	$ 43,921	$ 40,581
Return on average common equity	9.33%	10.02%	9.42%	8.71%	9.70%
Average common shares outstanding	6,977,774	6,939,894	6,910,650	6,773,312	6,712,822
Per common share:					
Net income	$2.02	$2.10	$1.90	$1.72	$1.86
Dividends declared	$1.30	$1.275	$1.20	$1.20	$1.20
Dividends to net income	64%	61%	63%	70%	65%

CINCINNATI BELL INC.
STATEMENTS OF CHANGES IN FINANCIAL POSITION

Thousands of Dollars Except As Indicated

	1972	1971	1970	1969	1968
SOURCE OF FUNDS:					
From Operations					
Net Income	$14,108	$14,589	$13,115	$11,639	$12,505
Add: Expenses not requiring funds:					
Depreciation	20,695	19,165	17,694	15,745	14,560
Deferred income taxes	3,165	2,216	898	611	379
Investment credit — net	1,458	237	183	497	529
Less: Income not providing funds:					
Interest charged construction	1,068	1,179	1,135	722	517
Total funds from operations	38,358	35,028	30,755	27,770	27,456
% Total funds from operations	65.9%	63.8%	56.4%	57.1%	69.0%
From Financing					
Issuance of shares and changes in share installments	254	596	444	1,650	1,512
Issuance of long-term debt	120	50,000	—	35,000	127
Proceeds (repayment) of interim financing — net	19,500	(30,716)	23,300	(15,784)	10,700
Total funds from financing	19,874	19,880	23,744	20,866	12,339
% Total funds from financing	34.1%	36.2%	43.6%	42.9%	31.0%
Total Source of Funds	$58,232	$54,908	$54,499	$48,636	$39,795
APPLICATION OF FUNDS:					
Telephone plant	$49,019	$45,958	$46,002	$42,629	$29,990
Dividends	9,071	8,848	8,293	8,128	8,055
Repayment of long-term debt	99	99	92	90	102
Change in working capital (detail shown below)	332	(1,428)	(152)	(2,269)	1,470
Other — net	(289)	1,431	264	58	178
Total Application of Funds	$58,232	$54,908	$54,499	$48,636	$39,795
THE CHANGE IN WORKING CAPITAL IS ACCOUNTED FOR BY:					
Increase (decrease) in current assets:					
Cash	$ 51	$ 198	$ (482)	$ (695)	$ 209
Receivables	1,853	1,163	679	2,300	434
Material and supplies	(296)	381	174	1,180	17
Prepaid expenses	4	9	116	11	14
	1,612	1,751	487	2,796	674
Increase (decrease) in current liabilities:					
Accounts payable	(552)	648	(1,046)	4,125	(984)
Advance billing and customers' deposits	353	227	604	295	173
Dividend payable	23	174	48	4	41
Taxes accrued	1,399	755	1,023	(268)	(27)
Interest accrued	57	1,375	10	909	1
	1,280	3,179	639	5,065	(796)
Change in working capital	$ 332	$ (1,428)	$ (152)	$ (2,269)	$ 1,470

TELEPHONE STATISTICS

	1972	1971	1970	1969	1968
TELEPHONES IN SERVICE					
Total	934,249	896,418	872,019	845,728	807,430
Residence — Main	437,739	425,679	417,204	408,936	397,459
Extension	245,945	229,042	217,207	206,650	191,442
Business — Main	75,031	72,415	69,707	69,060	66,421
Extension	55,462	52,829	51,195	50,506	47,806
PBX	68,482	71,220	73,557	73,172	71,875
Centrex	51,590	45,233	43,149	37,404	32,427
Percent distribution					
Residence — Main	46.9%	47.5%	47.8%	48.4%	49.2%
Extension	26.3	25.6	24.9	24.4	23.7
Business — Main	8.0	8.1	8.0	8.2	8.3
Extension	6.0	5.9	5.9	6.0	5.9
PBX	7.3	7.9	8.4	8.6	8.9
Centrex	5.5	5.0	5.0	4.4	4.0
Percent increase over prior years					
Total	4.2%	2.8%	3.1%	4.7%	4.4%
Residence — Main	2.8	2.0	2.0	2.9	2.5
Extension	7.4	5.4	5.1	7.9	7.3
Business — Main	3.6	3.9	.9	4.0	3.4
Extension	5.0	3.2	1.4	5.6	4.3
PBX	(3.8)	(3.2)	.5	1.8	4.9
Centrex	14.1	4.8	15.4	15.3	13.7
NUMBER OF CENTRAL OFFICES	165	159	154	152	134
Number of electronic central offices included above	28	17	13	8	4
CLASS OF TELEPHONE SERVICE					
Percent distribution of residence main					
Individual	86.2%	84.2%	81.7%	79.0%	75.9%
2 party	13.4	15.4	16.8	17.7	20.2
Multiparty	.4	.4	1.5	3.3	3.9

CINCINNATI BELL INC.

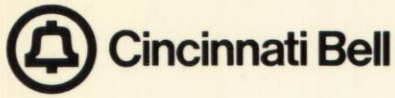
SHARE OWNERS STATISTICS

COMMON SHARES HELD BY:	1972	1971	1970	1969	1968
Individuals	3,795,346	3,733,932	3,673,024	3,511,326	3,554,172
Fiduciaries	52,275	47,769	44,650	38,890	53,854
Others	1,361,323	1,355,111	1,417,214	1,458,528	1,355,084
Total	5,208,944	5,136,812	5,134,888	5,008,744	4,963,110
Shares held by A.T.&T. Co.	1,804,152	1,804,152	1,804,152	1,804,152	1,804,152
% of total	25.7%	26.0%	26.0%	26.5%	26.7%
Total outstanding	7,013,096	6,940,964	6,939,040	6,812,896	6,767,262
SHARE OWNERS — COMMON (excluding A.T.&T. Co.)					
BY HOLDINGS					
1-49 shares	5,616	4,980	7,651	7,344	7,478
50-499 shares	12,006	11,578	9,389	8,936	8,894
500 or more shares	1,966	1,937	671	677	667
Total	19,588	18,495	17,711	16,957	17,039
No. of shares per share owner	266	278	290	295	291

BY LOCATION

Alabama	39	Maine	19	Oregon	24
Alaska	2	Maryland	73	Pennsylvania	166
Arizona	78	Massachusetts	107	Rhode Island	9
Arkansas	9	Michigan	163	South Carolina	23
California	522	Minnesota	62	South Dakota	8
Colorado	51	Mississippi	7	Tennessee	50
Connecticut	121	Missouri	101	Texas	146
Delaware	23	Montana	7	Utah	9
Florida	818	Nebraska	69	Vermont	8
Georgia	60	Nevada	10	Virginia	97
Hawaii	10	New Hampshire	22	Washington	62
Idaho	12	New Jersey	270	West Virginia	53
Illinois	357	New Mexico	19	Wisconsin	127
Indiana	232	New York	714	Wyoming	6
Iowa	29	North Carolina	104	Washington, D.C.	33
Kansas	54	North Dakota	3	U. S. Possessions	1
Kentucky	2,859	Ohio	11,673	Total U.S.	19,570
Louisiana	30	Oklahoma	19	Foreign	18
				Total	19,588

NOTES



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